

RULES ASSESSMENT REPORT - Iowa Department of Economic Development

This Assessment Report covers the following rulemaking authorities:

Iowa Department of Economic Development [261],
City Development Board [263] and the
Iowa Seed Capital Corporation [727].

Executive Order 8 became effective on September 14, 1999. It was one of four executive orders by Governor Vilsack designed to create more flexibility in government regulations. These initiatives are intended to improve and reduce state regulations, enhance flexibility, promote inter-agency coordination, and encourage public input. Each State agency was required to prepare and submit to the Governor's office by March 1, 2000 an Agency Plan that described the methodology by which it intended to review all its laws and rules.

Following an internal review of all its administrative rules, and after gathering public input about its rules, the Department prepared this Assessment Report. This Report summarizes the Department's recommendations for modifying or rescinding its administrative rules.

Following this cover page is a chapter-by-chapter analysis of the agency's administrative rules. The "Status" column indicates which rule revision recommendations have been implemented since March 1, 2000 (the date the Agency Plan was adopted) and identifies those recommendations that have not yet been initiated.

In addition, a summary of the statutory [2001 Iowa Acts, House File 384] that have been implemented as a result of the Department's rules review process is attached.

If you have any questions about this Report, please contact:

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261- IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT (IDED) RULES ASSESSMENT REPORT

Part I - Department Structure and Procedures			
CHAPTER # -TITLE		RECOMMENDATION and RATIONALE	STATUS
1	Organization (last update 3/99)	<p>Modify:</p> <p><i>§1.1 - Mission.</i> Revise to incorporate the mission statement adopted by the IDED Board in May, 2002.</p> <p><i>§1.4(1)- Department structure.</i> Revise to reflect the reduction in the number of divisions within IDED. In fiscal year 2002 the Department's structure went from 5 divisions to 3. Delete references to "deputy director" in the subrule.</p> <p><i>§1.4(3)- Deputy director.</i> Delete subrule because this position title no longer exists within IDED.</p> <p><i>§1.4(4)</i> Update the list of divisions.</p> <p><i>§1.4(5) Table of organization.</i> Amend this subrule by adopting the new table of organization to show the 3 divisions.</p>	<p>Pending: Rule amendments required.</p>
2-3	(reserved)	No action required - reserved chapters.	
Part II - Workforce Development Coordination			
4	Workforce Development Accountability System (last update 3/99)	No changes.	
5	Iowa Industrial New Jobs Training (last update 9/97)	No changes.	

6	(reserved)	No action required - reserved chapter.	
7	Iowa Jobs Training Program (last update 10/01)	Modify: Rules affected: new rules 7.17 -7.33 Amend the rules to implement 2001 Iowa Acts, HF 718, §24 which allows community colleges to use job training funds to conduct entrepreneurial development and support activities.	Completed: Amendments Adopted, Effective date: 10-22-01
8	Workforce Development Fund (last update 10/00)	No changes.	
9-10	(reserved)		
11	Certified School to Career (last update 12/01)	Modify: (1) Rules affected: 11.1 to 11.4 Recommend amendments to eliminate IDED from the role of joint approval of applications with the Dept. of Education, and to modify program guidelines and program administration procedures. (2) Rules affected: 11.2, 11.3(2), 11.3(5), 11.3(6), 11.3(8), 11.3(9), 11.3(10), 11.4(1) Amend the rules noted above to incorporate legislative changes (2001 Iowa Acts, HF 695).	Completed: (1) Amendments Adopted Effective date: 12-20-00 (2) Amendments Adopted Effective date: 12-19-01
12-16	(reserved)		
17	High Technology Apprenticeship Program (last update 6/95)	No changes.	
18-19	(reserved)		
20	Accelerated Career Education (ACE) Program (last update 11/00)	Modify: (1) Rules affected: chapter 20 Proposed new rules to implement the ACE program, as amended by 2000 Iowa Acts, chpts. 1196 and 1225. The amendments establish guidelines, application procedures, and evaluation criteria for capital costs and program job credits components of the ACE program. (2) Rules affected: 20.3(3), 20.18	Completed: (1) Amendments Adopted Effective date: 10-23-00 (2) Amendments Adopted Effective date: 11-17-00

		Amend the rules to ensure that IDED's ACE rules are compatible with those of the Department of Education. Each agency administers a portion of the ACE program. DE administers the Career Education Grants part and IDED administers the capital projects and tax credits portion.	
Part III - Division of Community and Rural Development			
21	Division Responsibilities - Div. of Community and Rural Development (last update 3/99)	Modify: § 21.1 - <i>Purpose.</i> This subrule needs to be updated to reflect the mission of the division. § 21.2 - <i>Purpose.</i> This subrule needs to be updated to accurately describe the subunits within the division.	Pending: Rule amendments required.
22	(reserved)		
23	Iowa Community Development Block Grant (last update 11/99)	Modify: Rules affected: 23.2, 23.4(5), 23.5, 23.6(3) and (4), 23.7, 23.8(2), 23.9(2) and (3), 23.10 The proposed amendments make technical changes to bring the rules up to date concerning the Department; increase the maximum grant amounts for public works projects for communities with populations under 2500; increases the required minimum wage needed to request economic development set-aside funds; and targets funding under the contingency fund to projects that support a "bold possibility " as defined in the rule.	Pending: Proposed amendments drafted and on IDED Board's June 20, 2002 agenda.
24	Emergency Shelter Grants Program (last update 5/01)	Modify: (1) Rules affected: 24.2 to 24.6, 24.7, 24.10(6), 24.12(4) Amend the rules to allow a 2 year application cycle, establish maximum and minimum award amounts, and clarify eligibility requirements. (2) Rules affected: 24.12 (4) Rescind the rule noted above which allows transfer of up to 20% between budget line items to comply with HUD recordkeeping and financial monitoring standards.	Completed: (1) Amendments Adopted Effective date: 2-14-01 (2) Amendment Adopted Effective date: 5-23-01
25	Housing Fund (last update 11/01)	Modify: (1) Rules affected: 25.8(3) Amend the rules to permit the Department to allocate up to 60% of HOME funds for rental housing activities jointly funded with HOME and IFA low-	Completed: (1) Amendments Adopted, Effective date: 6-21-00

		<p>income housing tax credits.</p> <p>(2) Rules affected: 25.5, 25.5(5), rescind 25.5(6) Recommend amendments to encourage, but not require, participation in the multi-agency HART review process and establish a joint application and review process to be utilized when considering project applications for HOME funds and IFA low-income housing tax credits.</p> <p>(3) Rule affected: 25.2 Amend the rules to incorporate new definitions related to lead hazard reduction in response to federal regulation changes.</p> <p>(4) Rules affected: 25.5(2), 25.4(1)"a"(3), 25.4(1)"c", 25.5, 25.5(5)"b", 25.6(5), 25.6, 25.8, 25.9(2); rescind subrules 25.8(4), 25.8(5), 25.8(13) The amendments increase the maximum per unit subsidy amount for new rental construction and the per project maximum for new construction rental projects. In addition, technical changes clarify application and administrative procedures.</p> <p>(5) Rules affected: 25.5, 25.7, 25.8(7), 25.9(6) The proposed amendments make technical language changes and bring all references to census data to 2000.</p>	<p>(2) Amendments Adopted, Effective date: 7-20-00</p> <p>(3) Amendments Adopted, Effective date: 2-14-01</p> <p>(4) 3) Amendments Adopted, Effective date: 11-29-01</p> <p>Pending: (5) Proposed amendments drafted and on IDED Board's June 20, 2002 agenda.</p>
26	Variance Procedures for Tax Increment Financing (TIF) Housing Projects (last update 11/96)	No changes.	
27	(reserved)		
28	Local Housing Assistance Grants Program (last update 12/01)	<p>Modify: (1) Rule affected 28.5(5). Suggested amendments to clarify the relationship between the HART (housing application review team) process and the preapplication process for LHAP funds. Applicants should be encouraged, but not required, to submit a HART form prior to preparing a preapplication for LHAP funds.</p> <p>(2) Rules affected: 28.2, 28.5, 28.6 Amend the rules to eliminate the requirement that an applicant submit a pre-application and formal housing assessment. This would streamline the administrative process.</p>	<p>Completed: (1) Amendment Adopted Effective date: 8-16-00</p> <p>(2) Amendment Adopted Effective date: 12-21-01</p>

29	Homeless Shelter Operation Grants Program (last update 5/01)	<p>Modify: (1) Rules affected: 29.1 to 29.12 Amend the chapter to establish minimum and maximum award amounts, establish a set-aside for innovative projects, revise application procedures to include a 2-year application cycle and clarify amendment procedures.</p> <p>(2) Rule affected: 29.11(4) Rescind the rule noted above which allows transfer of up to 20% between budget line items to comply with HUD recordkeeping and financial monitoring standards.</p>	<p>Completed: (1) Amendments Adopted, Effective date: 2-14-01</p> <p>(2) Amendments Adopted, Effective date: 5-23-01</p>
30	Job Opportunities for Persons with Disabilities	No changes.	
31-36	(reserved)		
37	City Development Board (last update 12/86)	<p>* Note: While no changes are recommended to this reference to the City Development Board in the IDED's rules, as a result of the assessment process the Board is in the process of revising its rules. Please refer to the separate assessment report for information about the City Development Board's [263] rule.</p>	
38	Iowa Intergovernmental Review System (last update 12/86)	<p>Rescind: Staff recommend modifying or rescinding this chapter. Federal Executive Order 12372 allows each state to establish a system to review applications for federal funding of projects within the state. The purpose of the review process is to avoid duplication of, or conflict with existing programs. Iowa's process is designed so that the State Clearinghouse reviews applications from state agencies and the Area-wide Clearinghouses review applications from other entities for projects in each of their regions. It appears that the aim of the review process could be accomplished without the State Clearinghouse. The Area-wide clearinghouses are housed in the Councils of Governments (COGs). The COGs have developed relationships with the cities and counties in their regions and are aware of the programs and projects that are being carried out. They can readily detect any potential conflict or duplication that might result from new programs in their regions.</p>	<p>Pending: Rulemaking required to rescind or modify this chapter.</p>

39	Iowa Main Street Program (last update 2/95)	Modify: Amend the rules to remove start-up grants as eligible use of funds.	Pending: Rulemaking required to amend this chapter.
40	(reserved)		
41	Community Development Fund (last update 1/02)	Modify: (1) Rules affected: rescind & replace chapter Rescind Chapter 41 and adopts a new Chapter 41. The Community Development Fund should be revised to target state resources to high priority issues in community and economic development including telecommunications, diversity, growth management, housing, business development and multi community service delivery. The fund should provide grant funds for pilot projects and technical assistance. The recommended changes are responsive to community need for financial assistance in these areas. (2) Rules affected: 41.1 to 41.9 Amend the rules to expand the eligible applicant pool, target eligible activities to align with the 2010 plan and revise the application review process.	Completed: (1) Amendments Adopted Effective date: 5-23-01 (2) Amendment Adopted Effective date: 1-30-02
42	Rural Resource Coordination Programs for Fire Services (last update 11/00)	Modify: (1) Rules affected: 42.3(3), 42.7 Amend the rules to clarify what documentation is needed for local match requirements, allow payment of 50% of the funds upon contract execution. (2) Proposed new chapter that would combine rules for the Response 2020 Program and the Dry Hydrant Program. The rules would establish the purpose and criteria for eligibility and selection under these two programs. (3) Staff recommend rescinding this chapter for two reasons: no additional funds have been allocated in FY 02 or FY 03 for this program and the services available through the Response 2020 part of the rules are, or will soon be, performed by the Dept. of Public Health, Bureau of EMS (they are combining 3 applications together and are utilizing components of R2020 in their new application so our rules are redundant) .	Completed: (1) Amendment Adopted Effective date: 11-17-00 (2) Amendment Adopted Effective date: 11-22-00 Pending: (3) Rulemaking required to rescind the chapter.
43	Main Street Linked Investments Loan Program	Modify: Rescind chapter; program no longer active. Repealed by 96 Act, ch 1058, §10-12.	Pending: Rulemaking required to rescind the chapter

44	COG Assistance	No changes.	
45	Housing Assessment and Action Planning Program	Modify: Rescind this chapter as part of the creation of the new Community Development Fund, Chapter 41. Five chapters were to have been eliminated and replaced with one flexible funding source and one application process. This chapter was inadvertently omitted from the list of chapters to be rescinded when establishing the Community Development Fund in 1999.	Pending: Rulemaking required to rescind this chapter.
Part IV- Division of Business Development			
50	Division Responsibilities - Business Development (last update 3/99)	Modify: <i>§50.1 - Mission.</i> Revise to reflect the changes made to the division's mission. <i>§50.2 - Structure.</i> Revise to reflect changes within the division's structure. References to "bureaus" should be replaced with "teams." An updated listing of the teams within the division and the corresponding program responsibilities needs to be included in this subrule.	Pending: Rule amendments required.
51	Self-Employment Loan Program (last update 3/00)	Modify: (1) Rules affected: Amend the rules to increase low-income levels, require 4 weeks of training and rescind the limit on technical assistance fund awards. (2) <i>§51.1 - Purpose.</i> Revise to correct a cross-reference to the Iowa Code - should be 15.108(7)"c." <i>§51.4 (3) - Evaluation factors.</i> Application review sheets either need to be revised to correspond to the evaluation factors listed in subrule <i>51.4(3)</i> or else this subrule should be revised.	Completed. (1) Amendment Adopted Effective date: 5-23-01 Pending: (2) Rule amendments required.
52	Self-Employment Business Assistance (last update 3/95)	Modify: Rescind chapter. Case management services now available through the CEBA program.	Pending: Rulemaking required to rescind this chapter.

53	Community Economic Betterment Program (last update 12/00)	<p>Modify: (1) Rules affected: 53.2, 53.6(1) “f” and “ i” Recommended amendments to 1) revise the timeframe for calculating the CEBA wage threshold from quarterly to annually; 2) clarify that the “starting wage” of all project jobs must meet the CEBA wage threshold - removed the word “average” from the phrase “average starting wage.”</p> <p>Possible Modifications: (2) Possible amendments to wage thresholds.</p>	<p>Completed. (1) Amendment Adopted Effective date: 6-21-00</p> <p>Pending: (2) Policy discussions pending.</p>
55	Targeted Small Business Financial Assistance Program (last update 8/95)	<p>Possible Modifications: Possible amendments to increase loan limits.</p>	<p>Pending: Policy discussions pending.</p>
56	Entrepreneurs with Disabilities Program (last update 11/97)	No changes.	
57	Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) (last update 11/00)	<p>Modify: Rules affected: 57.2, 57.6(2), 57.6(3) The amendments add a definition of “loan guarantee,” adopts a new subrule that determines the percent of loan and forgivable loan or grant funds to be included in an award, and rescinds the subrule that established the interest rate to be charged for a loan and the repayment terms of an award.</p>	<p>Completed: (1) Amendments Adopted, Effective date: 11-22-00</p>
58	New Jobs and Income Program (last update 2/02)	<p>Modify: (1) Rules affected: 58.2, 58.4(3) The amendments add a definition of “eligible business,” “tax credit certificate” and “value-added agricultural products;” allow a refund of unused investment tax credit for value-added agricultural projects; make real property an eligible capital expenditure for the insurance premium tax credit; define how refunds of investment tax credit will be administered; and allow insurance companies which increase their employment by at least 10 percent to receive a new jobs tax credit on Iowa’s insurance premium tax.</p> <p>(2) Rules affected: 58.1 to 58.4 Add new definitions - "project," "project initiation"; amend definition of "project"; adopt criteria for negotiating benefits; and amendments to implement 2001, HF 716 revisions.</p>	<p>Completed: (1) Amendments Adopted, Effective date: 3-14-01</p> <p>(2) Amendments Adopted, Effective date: 2-27-02</p>

59	Enterprise Zones (last update 2/02)	<p>Modify: (1) Rules affected: 59.2, 59.3, 59.6(3), 59.7(2) The amendments add definitions of “eligible business,” “tax credit certificate” and “value-added agricultural products,” extend the deadline to establish Enterprise Zones to July 1, 2003, and allow for the establishment of Enterprise Zones in counties which contain areas of distress and in communities that experience a significant business closure. The amendments also allow for a refund of unused investment tax credit for value-added agricultural projects, make real property an eligible capital expenditure for the insurance premium tax credit, define how refunds of investment tax credit will be administered, and allow insurance companies that increase their employment by at least 10 percent to receive a new jobs tax credit on Iowa’s insurance premium tax.</p> <p>(2) Rules affected: 59.1, 59.2, 59.3(4), 59.5, 59.6, 59.8 to 59.12, 59.12(7), 59.13, 59.14 Add new definitions - "development business," "project," "project initiation"; adopt a new rule applicable to businesses qualifying as a development business; adopt criteria for negotiating benefits; clarify wage rate applicable; amend to reflect legislation concerning the investment tax credit which is limited to the first \$140,000 of value; amendments to implement 2001, HF 349 revisions.</p>	<p>Completed: (1) Amendments Adopted, Effective date: 3-14-01</p> <p>(2) Amendments Adopted, Effective date: 2-27-02</p>
60	Entrepreneurial Ventures Assistance Program (last update 3/99)	No changes.	
61	Physical Infrastructure Assistance Program (last update 12/97)	<p>Possible changes: Possible amendments to clarify that applicants must demonstrate statewide impact.</p>	<p>Pending: Policy discussions.</p>
62-64	reserved		
65	Brownfield Redevelopment Program (last update 12/00)	No changes.	
66	Assistive Device Tax Credit (last update 12/00)	No changes.	
67	Life Science Enterprises (last update 2/01)	No changes.	

Part III - Division of Tourism		
68-100 (reserved)		
101 Division Responsibilities- Division of Tourism (last update 11/00)	Modify: <i>§101.1 - Mission.</i> Revise to reflect the changes made to mission statement for the tourism office. Relocate information to the community development division section of the Department's rules. <i>§101.2 - Activities.</i> Revise to incorporate new activities assigned to the tourism office. Relocate information to the community development division section of the Department's rules.	Pending: Rule amendments required.
102 Welcome Center Program (last update 11/00)	No changes.	
103 Tourism Promotion - Licensing Program (last update 10/00)	No changes.	
104-130 (reserved)		
Part VI - International Division		
131 Division Responsibilities - International Division (last update 10/00)	Modify: <i>§131.1 - Mission.</i> Revise to reflect the changes made to mission statement for the international section within the community development division. Relocate information to the community development division section of the Department's rules. <i>§131.2 - Activities.</i> Revise to incorporate new international activities assigned. Relocate information to the community development division section of the Department's rules.	Pending: Rule amendments required.

132	Iowa Export Trade Assistance Program (last update 6/00)	Modify: Rules Affected: 68.2 to 68.4, 68.5(3), 68.7 Recommended amendments to 1) provide a new definition of “exporter;” 2) revise the definitions of “sales agent” and “trade mission;” 3) clarify eligibility and reimbursement requirements; and 4) update statutory references.	Completed: Amendments Adopted, Effective date: 6-21-00
133-162	(reserved)		
Part VII - Division of Administration			
163	Division Responsibilities - Division of Administration (last update 10/00)	Modify: Amend rules 163.1 and 163.2 to update the mission of the division and the descriptions of the teams within the division.	Pending: Rule amendments required.
164	Use of Marketing Logo (A Taste of Iowa) (last update 10/00)	No changes.	
165-167	(reserved)		
168	Additional Program Requirements (last update 12/01)	Modify: (1) Amend the chapter to allow extra points for projects located in brownfield, blighted or distressed areas, as authorized by statute. (2) Amend the chapter to include notice of the availability of 10 extra points for applicants that have good neighbor agreement as authorized by statute.	Completed: (1) Amendments Adopted Effective date: 12-19-01 Pending: (2) Rule amendments required.
169	Public Records and Fair Information Practices (last update 10/00)	Modify: <u>Overall comments:</u> <ul style="list-style-type: none"> Reprint uniform rules of agency procedure that are currently just incorporated by reference. It is very difficult to read the rule as it is currently printed with only the exceptions and additions listed. Inventory IDED records to determine if additions, deletions or modifications need to be made to the descriptions of the types of records 	Pending: Rule amendments required

		<p>maintained by IDED and those identified as confidential.</p> <p><u>Specific rule changes:</u> 169.13(2)(c) – agency should be inserted for department (department is not defined by the chapter and agency is used up to this point in the chapter).</p> <p>169.13(2)(d) – same change as in 169.13(2)(c)</p> <p>169.14(6) - delete this subparagraph because IDED no longer maintains JTPA records.</p> <p>169.14(8) - delete this subparagraph because IDED no longer maintains TSB certification application records.</p> <p>169.15 - delete the "note" following the first paragraph in this rule.</p> <p>169.15(7) – Add bracketed [] information to referenced quote in rule “confidential according to rule 169.13” [and Iowa Code §§ 17A and 22].</p>	
170	Department Procedure for Rule Making (last update 10/00)	No changes.	
171	Petition for Rule Making (last update 10/00)	No changes.	
172	Petition for Declaratory Order (last update 10/00)	No changes.	
173	Uniform Waiver and Variance Rules (last update 10/00)	No changes.	
174-199	(reserved)		
Part VIII - Vision Iowa Board			
200-210	(reserved - Vision Iowa Board)		

211	Community Attraction and Tourism Development Program (last update 12/00)	No changes.	
212	Vision Iowa Program (last update 12/00)	No changes.	
213	Vision Iowa Board: Uniform Waiver and Variance Rules (last update 12/00)	No changes.	

HIGHLIGHTS OF RESULTS DUE TO RULES ASSESSMENT:

1. Identification of four (4) rule chapters that can be eliminated. The four chapters that could be rescinded are:

- Chpt. 43 - Main Street Linked Investments Loan Program
- Chpt. 45 - Housing Assessment Action Planning Program
- Chpt. 52 - Self-Employment Business Assistance

2. Strengthening of coordination with other state agencies:

- **IFA** - IDED's rules have been revised to provide for joint application and review by IDED and IFA of Housing Fund/Low Income Housing Tax Credit projects.
- **Department of Education** - IDED's ACE program rules have been revised to ensure that IDED and DE have compatible rules for the ACE program since each agency administers a component of the program.
- **Revenue and Finance** - Before adopting amendments to its financial assistance programs that offer tax credits, IDED consulted with DRF and sought input prior to rulemaking.

3. Rules were amended in response to customers needs:

- **Housing Fund** - Rule amendments were adopted to allow up to 60% of HOME funds to be used for rental housing activities jointly funded with HOME and IFA-low-income housing tax credits.
- **LHAP** - Amendments were adopted to remove additional administrative requirements and streamline the process. A formal pre-application and housing assessment is no longer required to access funds.
- **HSOG** - A rule amendment established a setaside for innovative projects.
- **Community Development Fund** - Rule amendments refocused this program to target state resources to projects implementing Iowa 2010

goals.

- Rural Resource Coordination for Fire Services - A rule amendment authorized the payment at the time a contract was signed of up to 50 % of the grant award to assist grantees.

4. **Updated Iowa Code.** As a result of the rules assessment process, the Department initiated legislation to eliminate outdated sections of the Iowa Code [see 2001 Iowa Acts, House File 384] . These outdated programs or incorrect Code references were located as part of the review of implementing authorities associated with IDED's administrative rules.
5. **Identification of manuals and guides to be filed with state library.** The assessment process resulted in the identification of the IDED materials (e.g. manuals, guide) referenced in the rules which need to be submitted to the state library.
6. **Technical corrections.** Numerous technical corrections that need to be made to ensure that the administrative rules accurately reflect IDED's current organizational structure, current Code citations, and accurate program descriptions have been identified.

263 - City Development Board Rules Assessment Report

CHAPTER # -TITLE	RECOMMENDATION and RATIONALE	STATUS
1 General (last update 2/91)	The Board has proposed to replace its existing rules regarding city boundary changes. The new rules would address statutory changes that have occurred since the rules were last amended, including some of the changes resulting from HF 582 which becomes effective July 1, 2002. (Other changes from HF 582 will be addressed in Emergency filing for rules in the next month). Also, the format of the rules has been reorganized in an attempt to clarify procedures to be followed in the various types of requests that come before the Board. The proposed rules have separate sections on each type of request that the Board considers outlining the details of each proceeding, identifying supporting information that should accompany each request, and describing the Board's evaluation of proposals.	Pending: Rule amendments required.
2 Initial Board Proceedings on Petitions for Involuntary Boundary Changes (last update 2/91)		
3 Committee Proceedings on Petitions for Involuntary Boundary Changes (last update 2/91)		
4 Board Proceedings on Petitions for Involuntary Change After Committee Approval (last update 2/91)		

5	Islands - Identification and Annexation (last update 3/94)		
6	Public Records and Fair Information Practices (last update 2/91)		

727 - Iowa Seed Capital Corporation Rules Assessment Report

CHAPTER # -TITLE	RECOMMENDATION and RATIONALE	STATUS
	<p>Modify:</p> <p>Chapters 1-5 should be rescinded. The Iowa Seed Capital Corporation (ISCC) no longer exists. Rules of the ISCC are listed as a responsibility of the Iowa Department of Economic Development's Agency Rules Administrator. Accordingly, the ARA will prepare a Notice of Intended Action to rescind these chapters.</p> <p>The Iowa Seed Capital Corporation was dissolved, the assets & liabilities transferred and a liquidation board established by 1997 Iowa Acts, chapter 143, §§s 5 & 6; 1998 Iowa Acts, chapter 1225, §§s 27&32</p> <p>2001 Iowa Acts, HF 718, §16, requires liquidation, dissolution, or sale of the Iowa Seed Capital Liquidation Corporation by December 31, 2001.</p>	<p>Pending: Rule amendments required</p>
1 General Description (last update 5/97)		
2 Organization and Operation (last update 5/97)		
3 Corporation Fund and Investments (last update 5/97)		
4 Bonds and Notes (last update 5/97)		
5 Public Records and Fair		

Information Practices (last update 5/97)		

RESULTS ONCE THE ASSESSMENT PLAN IS FULLY IMPLEMENTED:

The assessment process will result in the rescission of administrative rules associated with a corporation that has been dissolved. Removing these rules will provide more accurate information to the public about the current status of the Iowa Seed Capital Corporation and its programs.

MEMORANDUM

TO: Georgia Soliday, Legislative Liaison
FROM: Melanie Johnson, General Counsel
DATE: September 15, 2000
RE: Iowa Code Sections Recommended for Deletion

cc: IDED Executive Committee

IOWA CODE SECTION TO BE REMOVED	DESCRIPTION	RATIONALE FOR REMOVAL
15.106(9)	IDED management responsibility for Iowa High Technology Council and Iowa Seed Capital Corporation	High Technology Council repealed by 1989 Acts, chapter 258, §25 Iowa Seed Capital Corp. - dissolution and assets transferred, 1997 Iowa Acts, chapter 143, §5 and 1998 Iowa Acts, chapter 1225, §§s 27 and 32
15.108(1)“c”	IDED to provide financial assistance to local development corporations established in 15E.16-15E.29	No funding for “building loan fund” established in 15E.26 to provide loans to local development corporations for spec. buildings
15.108(1)“d”	Requires IDED to provide administration for Iowa Seed Capital Corporation	Iowa Seed Capital Corp. - dissolution and assets transferred 1997 Iowa Acts, chapter 143, §5 and 1998 Iowa Acts, chapter 1225, §§s 27 and 32
15.108(4) “a”	Requires IDED to establish and carry out the purposes of the Iowa Export Trading Company (est. in 15E.106 and 15E.108)	The Iowa Attorney General’s office issued an opinion dated February 12, 1988 concluding that creation of the corporation would be constitutional, but raising cautions about the statutorily-required involvement of the IDED director as an agent and ex officio member of the corporation. No corporation was formed. The state’s risk exposure was a factor in deciding not to proceed.
15.108(7)“i”	IDED to provide assistance for a statewide network of regional corporations as provided in 15.261-15.268	The Department did not receive funding for the initiative referenced (see discussion of 15.261-15.268 below for more details)
15.111	Rural Development Coordination. Establishes an Office of Rural Resources Coordinator within IDED and staffed by an appointee of the IDED Director; outlines duties.	Changes have occurred in this area since 1988 when this provision was established. There is no longer a Rural Resources Coordinator position. Similar rural development activities are now performed by the Rural Development Council which is staffed by an IDED employee.
15.240	Microenterprise development program - microenterprise revolving fund	Programs referenced have been moved to the Strategic Investment Fund created in 15.313
15.251(1)	Permits IDED and the Department of Education to enter into a cooperative agreement to provide funds under the terms of section 123 of the Job Training Partnership Act of 1982.	IDED no longer administers the JTPA program; transferred to Iowa Workforce Development Department by 1996 Iowa Acts, chapter 1186.

IOWA CODE SECTION TO BE REMOVED	DESCRIPTION	RATIONALE FOR REMOVAL
15.261-15.268	Authorizes the formation of small business economic development corporations; coordinates the formation of a statewide regional network of private sector small business economic development corporations.	IDED did not receive funding for this 1987 initiative to provide the financial assistance to guarantee loans to small business economic development corporations.
15.281 -15.288	Rural Community 2000 Program	Program no longer in operation. No funding since approximately 1992.
15E.25- 15E.29	Local Development Corporations	Funding ended. Program no longer in operation. The "building loan fund" established in 15E.26 was used to provide loans to local development corporations for spec. buildings.
15E.81-15E.94	Iowa Seed Capital Corporation	This corporation was dissolved, the assets & liabilities transferred and a liquidation board established by 1997 Iowa Acts, chapter 143, §§s 5 & 6; 1998 Iowa Acts, chapter 1225, §§s 27&32
15E.107-15E.108	Iowa Export Trading Company	The Iowa Attorney General's office issued an opinion dated February 12, 1988 concluding that creation of the corporation would be constitutional, but raising cautions about the statutorily-required involvement of the IDED director as an agent and ex officio member of the corporation. No corporation was ever formed. Also, risk exposure to the state was a factor in deciding not to proceed.
15E.152 -15E.166	Wallace Technology Transfer Foundation	No appropriation after 1995 Iowa Acts, chapter 204, §4. Physical assets of corporation transferred to IDED by 1997 Iowa Acts, chapter 201, §26. The 504A corporation is still in existence pending transfer of remaining asset (stock) to the state.
15E.169-15E.171	Iowa Business Investment Corporation	Not implemented or funded.
15E.181-15E.184	Iowa Capital Investment Board	This 1997 legislation was not implemented based on advice from the Iowa Attorney General's office that there were constitutional problems; AG's advice was that this initiative involved lending the credit of the state in violation of the Iowa constitution.

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HOUSE FILE 384

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1 3 AN ACT
1 4 RELATING TO THE ELIMINATION OF CERTAIN ECONOMIC DEVELOPMENT
1 5 AND JOB TRAINING RELATED PROGRAMS AND CERTAIN DUTIES OF THE
1 6 DEPARTMENT OF ECONOMIC DEVELOPMENT.
1 7
1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 9
1 10 Section 1. Section 15.106, subsection 9, Code 2001, is
1 11 amended by striking the subsection.
1 12 Sec. 2. Section 15.108, subsection 1, paragraphs c and d,
1 13 Code 2001, are amended by striking the paragraphs.
1 14 Sec. 3. Section 15.108, subsection 4, paragraph a, Code
1 15 2001, is amended by striking the paragraph.
1 16 Sec. 4. Section 15.108, subsection 7, paragraph c,
1 17 subparagraph (5), Code 2001, is amended by striking the
1 18 subparagraph.
1 19 Sec. 5. Section 15.108, subsection 7, paragraph i, Code
1 20 2001, is amended by striking the paragraph.
1 21 Sec. 6. Section 15.246, unnumbered paragraph 1, Code 2001,
1 22 is amended to read as follows:
1 23 The department shall establish and administer a case
1 24 management program, contingent upon the availability of funds
1 25 authorized for the program, and conducted in coordination with
1 26 ~~the job training partnership program,~~ the self-employment loan
1 27 program, and other state or federal programs providing
1 28 financial or technical assistance administered by the
1 29 department. The case management program shall assist in
1 30 furnishing information about available assistance to clients
1 31 seeking to establish or expand small business ventures,
1 32 furnishing information about available financial or technical
1 33 assistance, evaluating small business venture proposals,
1 34 completing viable business start-up or expansion plans, and
1 35 completing applications for financial or technical assistance
2 1 under the programs administered by the department. As used in
2 2 this section, "client" means a low-income person eligible for
2 3 assistance under the self-employment loan program established
2 4 in section 15.241.
2 5 Sec. 7. Section 15.251, subsection 1, Code 2001, is
2 6 amended by striking the subsection.
2 7 Sec. 8. Section 15E.120, subsection 7, Code 2001, is
2 8 amended by striking the subsection.
2 9 Sec. 9. Section 15E.143, subsection 1, paragraph c, Code
2 10 2001, is amended by striking the paragraph.
2 11 Sec. 10. Section 15E.143, subsection 2, Code 2001, is
2 12 amended to read as follows:
2 13 2. The director of the department, or the director's
2 14 designee, shall serve as chairperson of the board, ~~and the~~
2 15 ~~president of the Iowa seed capital corporation, or the~~
2 16 ~~president's designee, shall serve as vice chairperson of the~~
2 17 ~~board.~~

2 18 Sec. 11. Section 16.100, subsection 2, paragraph d, Code
2 19 2001, is amended by striking the paragraph.

2 20 Sec. 12. Section 68B.35, subsection 2, paragraph e, Code
2 21 2001, is amended to read as follows:

2 22 e. Members of the banking board, the ethics and campaign
2 23 disclosure board, the credit union review board, the economic
2 24 development board, the employment appeal board, the
2 25 environmental protection commission, the health facilities
2 26 council, ~~the Iowa business investment corporation board of~~
2 27 ~~directors~~, the Iowa finance authority, ~~the Iowa seed capital~~
2 28 ~~corporation~~, the Iowa public employees' retirement system
2 29 investment board, the lottery board, the natural resource
2 30 commission, the board of parole, the petroleum underground
2 31 storage tank fund board, the public employment relations
2 32 board, the state racing and gaming commission, the state board
2 33 of regents, the tax review board, the transportation
2 34 commission, the office of consumer advocate, the utilities
2 35 board, the Iowa telecommunications and technology commission,
3 1 and any full-time members of other boards and commissions as
3 2 defined under section 7E.4 who receive an annual salary for
3 3 their service on the board or commission.

3 4 Sec. 13. Section 84A.5, subsection 6, paragraph e, Code
3 5 2001, is amended by striking the paragraph.

3 6 Sec. 14. Section 96.11, subsection 6, paragraph c,
3 7 subparagraph (8), Code 2001, is amended by striking the
3 8 subparagraph.

3 9 Sec. 15. Section 97B.1A, subsection 8, paragraph a,
3 10 subparagraph (6), Code 2001, is amended by striking the
3 11 subparagraph.

3 12 Sec. 16. Section 241.3, subsection 2, Code 2001, is
3 13 amended to read as follows:

3 14 2. The department shall consult and cooperate with the
3 15 department of workforce development, the United States
3 16 commissioner of social security administration, the division
3 17 of the status of women of the department of human rights, ~~the~~
3 18 ~~representative of the administrative agency administering the~~
3 19 ~~Job Training Partnership Act~~, the department of education, and
3 20 other persons in the executive branch of the state government
3 21 as the department considers appropriate to facilitate the
3 22 coordination of multipurpose service programs established
3 23 under this chapter with existing programs of a similar nature.

3 24 Sec. 17. Section 499A.104, subsection 4, paragraph b,
3 25 subparagraph (5), Code 2001, is amended to read as follows:

3 26 (5) Construction training program schedule for partners.
3 27 ~~The program shall involve, to the greatest extent possible,~~
3 28 ~~persons participating as dislocated workers under the federal~~
3 29 ~~Job Training Partnership Act as provided in section 7B.1. If~~
3 30 a contract is executed with a person to perform skilled labor
3 31 or to supervise skilled work, the person must be certified by
3 32 an organization recognized as representing a membership of
3 33 persons with common skills.

3 34 Sec. 18. Chapter 7B, Code 2001, is repealed.

3 35 Sec. 19. Sections 15.111, 15.240, 15.261, 15.262, 15.263,
4 1 15.264, 15.265, 15.266, 15.267, 15.268, 15.281, 15.282,
4 2 15.283, 15.284, 15.285, 15.286, 15.286A, 15.287, 15.288,
4 3 15E.25, 15E.26, 15E.27, 15E.28, 15E.29, 15E.81, 15E.82,
4 4 15E.83, 15E.84, 15E.85, 15E.86, 15E.87, 15E.88, 15E.89,

4 5 15E.90, 15E.91, 15E.92, 15E.93, 15E.94, 15E.106, 15E.107,
4 6 15E.108, 15E.169, 15E.170, 15E.171, 15E.181, 15E.182, 15E.183,
4 7 15E.184, 16.107, 16.141, 16.142, 16.143, and 231.53, Code
4 8 2001, are repealed.

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BRENT SIEGRIST
Speaker of the House

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MARY E. KRAMER
President of the Senate

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4 20 I hereby certify that this bill originated in the House and
4 21 is known as House File 384, Seventy-ninth General Assembly.

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MARGARET THOMSON
Chief Clerk of the House

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4 27 Approved _____, 2001

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4 31 THOMAS J. VILSACK

4 32 Governor